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NON-DISCLOSURE AGREEMENT

BETWEEN:

ALGOMA CENTRAL PROPERTIES INC.
(the Corporation)

and

**NON-PROFIT RETIREMENT RESIDENCES
OF ELLIOT LAKE INC.**
(ELRL)

WHEREAS ELRL acknowledges that it has approached the Corporation to provide certain information regarding the property known as the Algo Centre, Elliot Lake, Ontario.

AND WHEREAS ELRL acknowledges that it, with the provision of this information, becomes privy to confidential matters pertaining to the business of the Corporation which, if disclosed, could become harmful to the Corporation.

1. **ELRL** therefore undertakes, represents and warrants that it shall not, directly or indirectly, disclose or use, at any time, either during or subsequent to its investigation of the affairs of the Corporation, any information acquired by it as a result of its investigation, whether the same concerns any of the processes, methods, formulae, apparatus, specifications, materials, source of supply, customers, their identities and requirements, contracts, finances, personnel, their duties and capabilities, research, plans, policies, and intentions, including matters though not technically trade secrets, the dissemination of or a knowledge whereof might prove prejudicial or harmful to the above-referenced Corporation. More specifically, but not limited to the following, **ELRL** agrees:

i) All information presented, verbally or in print form, to **ELRL** is strictly confidential and will not be reported to any other party in any form, without the prior written approval of the Corporation. Notwithstanding the above, if the Corporation withholds its written approval for the following persons:

1. Mayor George Farkouh of the City of Elliot Lake, Ontario
2. Fred Bauthuis of the City of Elliot Lake, Ontario
3. Carol Lister of the City of Elliot Lake, Ontario
4. Jerry Bulthuis of the City of Elliot Lake, Ontario
5. Troy Speck of the City of Elliot Lake, Ontario

6. Terry Croteau of the City of Elliot Lake, Ontario

7. Lynda Young of the City of Elliot Lake, Ontario

8. Mavis Boreham of the City of Elliot Lake, Ontario, and

9. Fred Mann of the City of Elliot Lake, Ontario

to receive a written report containing

- a) a summary of the physical building condition, and
 - b) a value of the facility,
- and an oral explanation of the data leading to written reports,

then the Corporation agrees to reimburse ELRL as follows:

- c) the cost paid by ELRL to a reputable engineering firm for the summary of the physical building condition, to a maximum of \$12,000.00, and
 - d) the cost paid by ELRL to a reputable commercial appraiser for the determination of the value of the facility, to a maximum of \$8,000.00.
- ii) In the case of i) above where approval may be given, it would be conditional upon receipt of a further confidentiality agreement from said third party.
 - iii) No printed information given to ELRL will be copied, without the prior written approval of the Corporation.
 - iv) Any and/or all information, whether prepared, compiled or completed by ELRL or otherwise, will be immediately returned and/or given, as the case may be, to the Corporation forthwith upon demand. Further, if the Corporation demands the return of items a) and/or b) above, the same will be immediately returned to the Corporation upon the payment of the sum set out in c) and/or d) above, as the case may be.
 - v) The representatives of ELRL will be made up of only those persons which have the prior written approval of the Corporation.
 - vi) All representatives of ELRL will provide an executed statement to the Corporation acknowledging their understanding of this confidentiality agreement and further, their covenant to strictly abide by its terms and conditions.
 - vii) The representatives of the undersigned may change from time to time, but only subject to the terms of v) and vi) above.

2. The undersigned acknowledges it will be responsible for any breach of this covenant by its directors, officers, representatives, agents and employees (including employees who, subsequent to the first date of disclosure of the information become former employees).

3. ELRL acknowledges that any and all information being provided to ELRL by the Corporation is provided in strict reliance upon this warranty, undertaking and agreement, and that the breach of same may result in substantial damage to the Corporation, both financial and otherwise.

4. Breach by ELRL of the terms of this Agreement shall permit the above-referenced Corporation to obtain any injunctive or other equitable relief as necessary to prevent the continuation of the breach without notice to ELRL, in addition to any and all other remedies for damages as may be available.

DATED at Elliot Lake, Ontario, this 12 day of May 1998.

**NON-PROFIT RETIREMENT RESIDENCES
OF ELLIOT LAKE INC.**

Witness:

Signature: [Signature]
Name: Carole Amond
Title: Executive Assistant

Per: Signature: [Signature]
Name: Richard Kennedy
Title: General Manager

(I have the authority to bind Non-Profit
Retirement Residences of Elliot Lake Inc.)

DATED at Sault Ste. Marie, Ontario this 15th day of May 1998.

ALGOMA CENTRAL PROPERTIES INC.

Per: [Signature]
R.E. Leistner
Vice President

Per: [Signature]
W.J. Egan
Comptroller